

## **Housing Choice Voucher Program (Section 8)**

The Indiana Housing and Community Development Authority (IHCDA) regularly reviews its policies, procedures and plans to further the agency mission to end homelessness, taking into consideration the needs of the residents of the State of Indiana.

IHCDA is proposing changes to the Housing Choice Voucher (Section 8) Administrative Plan. Changes to the Plan involve implementing new temporary provisions outlined in HUD Notice PIH 2013-03

### **Temporary Provisions:**

#### **1. Allow option to use participants' actual past income in verifying income.**

Projecting expected income and obtaining the additional documentation necessary to project income places an unnecessary burden on PHA staff time and resources when compared to the minimal annual change in tenant incomes. Further, projecting income can lead to PHA staff errors that result in improper rent determinations. This provision is intended to simplify the requirements associated with determining a participant's annual income (24 CFR 5.609(a)(2)).

In determining annual income, PHAs may choose to use either actual past income or projected future income. Currently, annual income includes income that is anticipated to be received from a source outside the family during the 12-month period following the effective date of admission or annual reexamination. This Notice provides PHAs with the option of determining annual income based on past actual income received or earned within the last 12 months. If a PHA operates both PH and HCV programs, this option is available for both of their programs.

For the purpose of verifying income reported in HUD's Enterprise Income Verification (EIV) system, PHAs that choose to use actual past income must use the most recent 12 months of income information available in EIV. Because this EIV report will give actual earnings data verified by a third party, the program participant is no longer required to provide third party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice).

If there has been a change in circumstances for a tenant, or a tenant disputes the EIV reported income information and is unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification. For example, if a program participant lost his/her job, changed jobs, or reduced their hours in the months subsequent to the time period covered in EIV, the PHA must use, at the participant's request, the more recent income information verified by participant provided third-party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice) or through written third-party verification, which reflects the new or current work circumstance. PHAs must continue to verify income from sources not available in EIV. However, PHAs must use the same time period for both wage and non-wage income. For example, if a PHA uses EIV information from July 2011 to June 2012 for the purpose of verifying income from wages, the PHA must use the same time period for any nonwage income.

#### **2. Allow households to self-certify as to having assets of less than \$5,000.**

Tenants with assets below \$5,000 typically generate minimal income from these assets which results in small changes to tenant rental payments. However, PHAs spend significant time verifying such assets which strains PHA budgets, and leads to increased staff errors. This provision is intended to simplify the requirements associated with determining a participant's annual income (24 CFR 5.609(b)(3)),

982.516(a)(2)(ii), 960.259(c)).

Families with assets are required to report all assets annually. The amount of interest earned on those assets is included as income used to calculate the tenant's rent obligation. Currently, where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate. This Notice allows a PHA to accept a family's declaration of the amount of assets of less than \$5,000, and the amount of income expected to be received from those assets. The PHA's application and reexamination documentation, which is signed by all adult family members, can serve as the declaration. Where the family has net family assets equal to or less than \$5000, the PHAs does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of \$5000, the PHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets. Any assets will continue to be reported on HUD Form 50058.

**3. Allow PHAs to establish a payment standard of not more than 120 percent of the fair market rent (FMR) without HUD approval as a reasonable accommodation.**

Under current regulations, PHAs must request a waiver from a HUD Field Office for exception payment standards above 110% of the FMR; this process takes considerable administrative time for the PHA and, in some cases, the processing time for the waiver prevents the family from leasing the unit. Under this provision, PHAs may approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with disabilities. This provision applies to the HCV program only and allows a PHA to establish a payment standard within limits currently permitted but designated for approval only by a HUD Field Office (24 CFR 982.503(c)(2)(B)(ii)). For any voucher unit assisted under the program, PHAs must perform a rent reasonableness determination in accordance with the section 8(o)(10) of the U.S. Housing Act of 1937 and the HCV program regulations. Therefore, PHAs who utilize this provision must maintain documentation that the PHA performed the required rent reasonableness analysis. In addition, the PHA must maintain documentation that that the unit has the feature(s) required to meet the needs of the person with disabilities

Additional updates throughout Chapter 7 (Verification) of the Administrative Plan are included to incorporate revisions which reflect any new HUD regulations and guidance.

Anytime policy changes are needed, IHCDCA allows a public comment period providing participants, applicants and the general public an opportunity to review the proposed policy changes and provide written feedback to IHA before changes are approved by the IHCDCA Board of Commissioners.

Public comment period on the above Administrative Plan changes will begin February 6, 2013 and end on March 6, 2013.

The policy changes will go before the Board for approval on February 21, 2013 @10:00am. The public is welcome to attend.

If approved the policy changes will be effective March 7, 2013 allowing for consideration of the conclusion of the public review and comment period.

Written comments should be addressed to: Tamela Royston, Deputy Director of Housing Choice Operations, [troyston@ihcda.in.gov](mailto:troyston@ihcda.in.gov) or mailed to her attention at 30 S. Meridian, Suite 1000, Indianapolis, IN 46204